UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SCP/11
23 June 1995

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Special Committee on Preferences
Twenty-second session
Geneva, 23 October 1995
Item 2 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

Provisional agenda and annotations to the provisional agenda

I. PROVISIONAL AGENDA

1. Election of officers

2. Adoption of the agenda and organization of work

3. Review of the implementation, maintenance, improvement and utilization of the generalized system of preferences, rules of origin and technical assistance

4. Policy review: towards revitalization of the GSP

5. Provisional agenda for the twenty-third session of the Special Committee on Preferences

6. Other business

7. Adoption of the report of the Special Committee on Preferences to the Trade and Development Board

GE.95-52278

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Introduction

By its resolution 77 (III), the United Nations Conference on Trade and Development decided to establish the Special Committee on Preferences as a permanent mechanism within UNCTAD. Its terms of reference are described in section VIII of the agreed conclusions adopted by the Special Committee at its fourth session. Accordingly, at its twenty-second session the Committee will, inter alia, carry out the periodic review and policy review of the generalized system of preferences.

The twenty-second session of the Special Committee will be held at the Palais des Nations, Geneva, from 23 to 27 October 1995.

Item 1: Election of officers

Rule 18 of the rules of procedure of the main Committees of the Trade and Development Board states that: "At the commencement of the first meeting of each regular session, the Committee shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among the representatives of its members. These officers shall constitute the Bureau of the Committee. In electing the officers, due account shall be taken of the need to ensure an equitable geographical distribution." Moreover, rule 19 states that "the Bureau of the Committee shall consist of seven members, including four members from Groups A and C combined, two members from Group B and one member from Group D, referred to in the annex to General Assembly resolution 1995 (XIX) as amended".

Accordingly, the Chairman of the twenty-second session will be elected from among the representatives of countries members of List D, while the Rapporteur will be elected from among the representatives of countries members of List A (Africa).

The Committee will complete its Bureau by electing five Vice-Chairmen, in accordance with rule 19 of the rules of procedure of the former main Committees[1] (i.e.two from List B, three from Lists A and C combined).

Item 2: Adoption of the agenda and organization of work

The provisional agenda for the twenty-second session of the Special Committee on Preferences was approved by the Special Committee on Preferences at its 186th plenary meeting on 20 May 1994. At that session, the Special Committee on Preferences decided to continue preparations for the 1995 policy review on the GSP. This twenty-second session will therefore undertake the 1995 policy review on the GSP.

In its decision 179(XVIII) of 17 September 1978, the Board stipulated that the annual sessions of the Special Committee on Preferences should be conducted according to the following procedure:

"1. The plenary meetings of the Special Committee on Preferences should be devoted primarily to issues of a general character concerning the generalized system of preferences;

"2. During the sessions of the Special Committee on Preferences, informal plurilateral consultations should be held on individual schemes, if so requested, between preference-receiving countries, on the one hand, and the preference-giving country concerned, on the other. These plurilateral consultations would be private and confidential in character."

In his note of 18 May 1995, the Officer-in-Charge of UNCTAD invited States members which were interested in holding plurilateral consultations to advise the secretariat well in advance of the twenty-second session of the Special Committee so that the necessary arrangements could be made for holding such consultations. The secretariat will in due course inform States members concerned of requests received and of consequent arrangements for consultations.

Item 3: Review of the implementation, maintenance, improvement and utilization of the generalized system of preferences, rules of origin and technical assistance

The Special Committee will have before it the "Eighteenth general report on the implementation of the generalized system of preferences" (TD/B/SCP/12). Chapter I covers the changes and improvements that have taken place in the various schemes since the twenty-first session of the Special Committee on Preferences. Chapter II updates the trade effects of the system to cover the most recent period for which information is available. Chapter III summarizes the current situation of rules of origin. In this connection, the Committee will have before it the report of the Intergovernmental Group of Experts on Rules of Origin (TD/B/SCP/14 - TD/B/SCP/AC.1/3). The Special Committee may wish to take note of this report. Chapter IV covers the activities undertaken by the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws in 1994 and the first half of 1995. It underscores the importance of these activities and highlights priority issues facing the Programme. In addition, the Special Committee has before it the report of the Second Ad Hoc Expert Group on the Generalized System of Preferences, held from 15 to 16 May 1995 (TD/B/SCP/15).

Item 4: Policy review: towards revitalization of the GSP

The Special Committee on Preferences will have before it the secretariat report "Policy options and proposals for revitalization of the generalized system of preferences" (TD/B/SCP/13). Chapter I outlines the evolution of international trade and highlights deliberations on the GSP since UNCTAD VIII. Chapter II covers issues relating to the GSP which are divided into three categories: conceptual aspects, operational aspects and technical assistance. Each category contains an outline of the issue, summary of the deliberations and arguments to date, and suggests policy options for post-Uruguay Round GSP schemes.

Item 5: Provisional agenda for the twenty-third session of the Special Committee on Preferences

In accordance with rule 8 of the rules of procedures of the former main Committees (by which the Special Committee is guided), during the session the secretariat will submit a draft provisional agenda for the twenty-third session of the Committee.

Item 7: Adoption of the report of the Special Committee on Preferences to the Trade and Development Board

The Board, at its pre-sessional executive session prior to the first part of its forty-second session, will consider the report of the Special Committee.

The attention of the Committee is drawn to paragraph 6 of decision 302 (XXIX) adopted by the Board on 21 September 1984, whereby the Board instructed its main Committees and other subsidiary bodies to ensure that their reports were concise, action-oriented and not exceeding the limit of 32 pages. The Special Committee may wish to invite the Rapporteur, in cooperation with delegations and the secretariat, to make every possible effort to conform to this decision of the Board.

Notes

1. At its fifth session the Committee decided to continue being guided, as appropriate, by the rules of procedure of the Committee on Manufactures (ibid., para. 230), which have since been incorporated into a consolidated set of rules of procedure of the main Committees of the Board (TD/B/740).

UNITED NATIONS

TD

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SCP/12
22 August 1995

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Special Committee on Preferences
Twenty-second session
Geneva, 23 October 1995
Item 3 of the provisional agenda

REVIEW OF THE IMPLEMENTATION, MAINTENANCE, IMPROVEMENT AND UTILIZATION OF THE GENERALIZED SYSTEM OF PREFERENCES, RULES OF ORIGIN AND TECHNICAL ASSISTANCE

Eighteenth general report on the implementation of the generalized system of preferences

Report by the UNCTAD secretariat

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INTRODUCTION

1. This report has been prepared to assist the Special Committee on Preferences in its periodic review of the operation and effects of the generalized system of preferences (GSP). Therefore, it records in chapter I the main changes that have occurred in individual GSP schemes during 1994 and the first semester of 1995. It also briefly examines the salient features of the new GSP scheme of the European Union which entered into force on 1 January 1995. Chapter II reviews the trade effects of the system. Chapter III gives a summary of the technical cooperation activities on the GSP and other trade laws during 1994 and the first half of 1995.

Chapter I

CHANGES AND IMPROVEMENTS IN THE GENERALIZED SYSTEM OF PREFERENCES

A. The new GSP scheme of the European Union[1]

2. The Council of the European Union introduced, with effect from 1 January 1995, a new generalized system of preferences (GSP) scheme for the period 1995 to 1998 for industrial products. The initial 10-year period of application of the original Community GSP scheme ended on 31 December 1980 and the second on 31 December 1990. After that date, a major revision of the GSP scheme of the European Union was expected. However, due to the pending outcome of the Uruguay Round negotiations, the GSP scheme for 1991 was extended with various modifications until the end of 1994.

3. Extensive consultations and negotiations among the various participants in the European Union's legislative process took place before the adoption of the new scheme. Among others, it is worth mentioning the two Commission Communications of 6 June 1990 and 1 June 1994 in which recommendations were put forward for the possible format and content of the new GSP scheme of the European Union. Above all, the preambles of the Regulation[2] promulgating the new scheme and the above-mentioned Communications show a rethinking by the European Union of the role to be played by the GSP. In particular, the preamble of the Regulation states that:

> "...the Treaty on European Union has lent a fresh impetus to Community development policy as an aspect of the Union's foreign policy, with priority given to the sustainable economic and social development of the developing countries and their smooth and gradual integration into the world economy". Therefore, "the Community scheme of generalized preferences should accordingly become more development-oriented, focusing on the countries which have most need of it, i.e. the poorest countries". Thus "the scheme should be complementary to GATT instruments and should foster the integration of developing countries into the world economy and the mul'ilateral trading system; the giving of preferences should therefore be seen as a transitional measure, to be used at need and phased out when the need is considered no longer to exist".

Drastic changes have been made to the whole structure of the scheme in order to reflect these aims. Thus, the new scheme rotates around three key features, namely, tariff modulation, country-sector graduation and special incentive arrangements.

4. As a radical departure from the previous scheme, the new one does not contain quotas on GSP imports. These have been replaced by "tariff modulation". In other words, the individual "fixed duty-free amounts" and "individual tariff ceilings - duty free" have been replaced by a reduced rate of duty according to specific lists (15 per cent reduction of the most-favoured-nation (MFN) tariff for very sensitive products, i.e. textiles and clothing and ferro-alloys, 30 per cent for sensitive products, 65 per cent reduction for semi-sensitive products and duty-free for non-sensitive products) with unlimited market access coupled with a general safeguard clause. This change entails, in certain cases, a substantial reduction of the preferential margin which compensates for previous unlimited market access subject to the *a priori* quantitative limitations.

5. The second main change in the new scheme is the introduction of an open policy of graduation. The new scheme does not contain a "country graduation mechanism" which, according to Article 6 of the Regulation, is postponed until 1 January 1998. This mechanism will be based on objective, clearly defined criteria for which the Commission shall submit appropriate proposals before 1 January 1997. On the other hand, the concept of "country-sector graduation" is clearly spelt out and applied in the new scheme.

6. According to the preambles of the Regulation, country-sector graduation is applied in order to reorient the benefits of the GSP to low- and middle-income countries, which, so far, have benefited little from the GSP scheme of the European Union in comparison to other beneficiaries. In order to provide

equitable access to such countries, major GSP beneficiaries are, therefore, to be excluded from GSP treatment for the specific sectors in which they have proved themselves to be sufficiently competitive and developed.

7. The criteria for applying country-sector graduation are based on an index of export specialization balanced with a development index. The specialization index is based on the ratio of a beneficiary country's share of total European Union imports in a given sector to its share of total European Union imports in all sectors. The larger the sectoral proportion compared with the general proportion, the greater the specialization. As mentioned, the application of such an index is balanced by the development index. The development index of beneficiary countries is calculated by combining a country's per capita income and the level of its exports, as compared with those of the Community. The combination of the two criteria dilutes the effect of a crude specialization index, where a low-income country may be graduated from a sector in which it is particularly specialized. Annex II of part 1 of the Regulation contains the list of country-sectors to be graduated. On the one hand, these provisions are accompanied by a "lion's share" clause. This second criterion of country-sector graduation applies irrespective of the development index when one beneficiary country's exports of GSP-covered products in a given sector exceed 25 per cent of all GSP beneficiaries' exports in that sector. On the other hand, a "de minimis" clause is also inserted in Article 5, paragraph 2, which provides that:

> "The graduation mechanism shall not apply to countries whose exports to the Community of products covered by the scheme in a given sector do not exceed 2 per cent of beneficiary countries' exports to the Community in that sector."

Details of the formula elaborated by the services of the Commission for calculating and combining the two indexes are contained in annex II of part 2 of the Regulation.'

8. The application of country-sector graduation is to be phased in, in accordance with a timetable depending on the GNP per capita of the countries to be graduated from specific sectors:

- for countries/territories with a per capita GNP of over US$ 6,000 in 1991 (Bahrain, Brunei Darussalam, Hong Kong, Kuwait, Libyan Arab Jamahiriya, Nauru, Oman, Qatar, Republic of Korea, Saudi Arabia, Singapore, United Arab Emirates), based on data supplied by the World Bank, the preferential margin is reduced by 50 per cent from 1 April 1995 and abolished from 1 January 1996;

- for other countries, the preferential margin will be reduced by 50 per cent from 1 January 1997 and abolished from 1 January 1998;

- for the countries subject to the "lion's share" clause, graduation is applied in a single stage as of 1 January 1995, whatever their GNP per capita.

9. Title II of the Regulation provides for "special incentive arrangements". These special incentives operate on the basis of an additional margin of preferences granted to beneficiary countries that comply with certain requirements related to labour standards and the environment. More specifically, under the social clause "incentive", additional preferences will be granted to countries that have adopted and applied in their national legislation the standards elaborated by the International Labour Organisation (ILO) Convention No. 87 concerning freedom of association and protection of the right to organize, No. 98 concerning the application of the principles of the right to organize and bargain collectively and No. 138 concerning minimum-age employment. Another incentive will be provided to countries that have adopted and applied in domestic legislation the legal provisions incorporating the content of the International Tropical Timber Organization concerning sustainable forest management. According to Articles 7 and 8 of the Regulation, both incentives are to become operational on 1 January 1998.

10. In order to implement these proposed "special incentives", "... the Council [of the European Union] shall in 1997 carry out a review based on a Commission report on the results of the studies carried out in international fora such as the ILO, WTO and OECD on the relationship between trade and the environment", as well as trade and labour rights. "In the light of that review and on the basis of internationally accepted objective and operational criteria, the Commission shall submit a proposal for a Council decision on the intensity of the special incentive arrangements referred to in paragraph 1 of this Article and the detailed procedures for implementing them."

11. Another innovation in respect to the previous scheme is the introduction of a "withdrawal clause", formerly absent in the statutory text of the GSP legislation of the European Union. According to Article 9 of the Regulation, GSP treatment "may at any time be temporarily withdrawn in whole or in part, in the following circumstances:

- practice of any form of forced labour as defined in the Geneva Conventions of 25 September 1926 and 7 September 1956 and International Labour Organisation Conventions Nos. 29 and 105;

- export of goods made by prison labour;

- manifest shortcomings in customs controls on export or transit of drugs (illicit substances or precursors), or failure to comply with international conventions on money laundering;

- fraud or failure to provide administrative cooperation as required for the verification of certificates of origin Form A; and

- manifest cases of unfair trading practices on the part of a beneficiary country, including discrimination against the Community and failure to comply with obligations under the Uruguay Round to meet agreed market-access objectives."

Paragraph 2 of Article 9 provides that such temporary withdrawal is not automatic, but follows a certain procedure and investigation conducted by the Commission. Such procedure is open to interested parties which, upon request, may be heard by the Commission.

12. It has to be noted that the new Regulation maintains the previous special treatment' reserved for the Andean Group countries and extends it to Venezuela.

13. As far as agricultural products are concerned, Council Regulation 3282/94 extended into 1995 the old regulations concerning the concession on agricultural products for normal beneficiaries, the least developed countries (LDCs), Andean (adding Venezuela) and the Central American Common Market (CACM) countries. The postponement of a new European Union GSP scheme for agricultural products is due mainly, as stated in the preamble of the above-mentioned-Regulation, to the implementation of the results of the Uruguay Round in this area.

14. The remaining minor changes in respect of the old scheme are summarized below:

- Deletion of products classified in Harmonized System (HS) heading 0306.13 (shrimps) from duty-free treatment with respect to Andean and CACM countries. However, these products remain covered for these countries, as for the other beneficiaries, at a reduced rate of duty under the general list contained in Regulation 3833/90; three other products -- carnations, tuna loins and canned tuna -- will be subject to a special surveillance in 1995 in view of the application of the safeguard clause regarding any of these countries, with a reference quantity based on past import performances or, for tuna loins and canned tuna, fixed at 20,000 tonnes;

- Inclusion of South Africa in the beneficiary list with an extended list of exceptions concerning this country (honey, tobacco and HS chapters 6, 7, 8 and 20);

- Estonia, Latvia and Lithuania have been deleted from the beneficiary list following the entry into force on 1 January 1995 of the free-trade area with the European Union. Eritrea has been added to the list of least developed countries.

B. Beneficiaries

15. Japan modified its list of beneficiaries for fiscal year 1995 by adding, from 1 April 1995, the following countries: Albania, Armenia, Belarus, Estonia, Georgia, Kazakhstan, Latvia, Lithuania, Republic of Moldova, South Africa, The former Yugoslav Republic of Macedonia, Turkmenistan and Ukraine.

16. Hungary added South Africa to its list of beneficiaries on 1 January 1995. New Zealand removed Cyprus from its list of beneficiaries on 1 January 1995. On 6 May 1994, Norway decided to extend GSP treatment to South Africa. The United States of America extended GSP treatment to the West Bank and Gaza Strip effective 7 April 1995 and to Armenia on 3 February 1995. At the same time, the Bahamas and Israel have been suspended from the scheme for having exceeded the per capita GNP limits.

17. Poland added Algeria, the Congo, the Dominican Republic, Guyana, Peru and Zimbabwe to its list of beneficiaries as of 1 January 1995. Argentina, Belize, Dominica, Fiji, Grenada, Saint Lucia and the Syrian Arab Republic were removed from the list of beneficiaries as of 1 January 1994. In addition, as of 1 January 1995, Botswana was removed from the Polish GSP scheme.

18. With effect from 1 January 1995, the Czech and Slovak Republics added the following countries to their lists of beneficiaries: Albania, Antigua and Barbuda, Armenia, Azerbaijan, Belarus, Belize, Bosnia and Herzegovina, Brunei Darussalam, Chile, China, Croatia, Eritrea, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Micronesia (Federated States of), Marshall Islands, Namibia, Republic of Korea, Republic of Moldova, Russian Federation, Saint Kitts and Nevis, South Africa, Tajikistan, The former Yugoslav Republic of Macedonia, Turkmenistan, Ukraine and Uzbekistan. Turkey was removed from both lists.

C. Product coverage

19. With effect from 1 January 1995, as a consequence of the implementation of the Uruguay Round commitments, Hungary introduced certain modifications to its GSP tariff rates, mainly on agricultural products. The changes will be subsequently notified to UNCTAD.

20. Following the implementation of the Uruguay Round, Japan introduced various tariff reductions on agricultural products, including all tropical products from 1 April 1995 and fishery products from 1 January 1995.[1] The aim of these reductions was to maintain the preferential margin following the MFN-tariff cuts agreed during the Uruguay Round.

21. With effect from 1 January 1995, Norway decided that all products under the four-digit tariff position 6115, e.g. pantihose, tights, stockings, etc., should enjoy duty-free treatment under its GSP scheme. In addition, due to the tariffication of all non-tariff border measures in the agricultural sector as a result of the World Trade Organization Agreement, the Norwegian GSP scheme for agricultural products was revised. An interim arrangement was implemented on 1 January 1995 and the revised GSP scheme took effect on 1 July 1995. This new scheme covers all agricultural products with the exception of milk and milk products, and the tariff reductions vary from 10 to 100 per cent.

22. In the official "Canada Gazette" of 25 March 1995, the Canadian Department of Finance issued an "invitation to submit comments on proposed adjustments to general preferential tariff (GPT) rates and product coverage". Through this invitation, the Canadian Government wishes to obtain the opinions of interested parties that support or oppose the proposed changes. The proposal contains various improvements to the existing Canadian scheme, expanding product coverage and deepening tariff cuts, especially where tariff reductions agreed at the conclusion of the Uruguay Round have led to a substantial erosion of the preferential margin. These proposed improvements may be summarized as follows:

(a) It is proposed that 3,250 trade-liberalizing adjustments be made to existing GPT rates, including the extension of GPT coverage to 237 tariff lines that are outside the scope of the current GPT programme;

(b) It is proposed to introduce a zero GPT rate of duty on imports of raw cane-sugar falling under tariff lines 1701.11.10, 1701.11.20, 1701.11.30, 1701.11.40 and 1701.11.50. Such a concession is coupled with a possible safeguard mechanism that is still under review; and

(c) The current proposal calls for the phasing-in of GPT rate reductions.

The proposed expansion of product coverage to 237 tariff lines concerns mainly agricultural tariff lines.[6]

D. Safeguards

23. With effect from 1 July 1995, New Zealand increased the GSP product graduation benchmark from $NZ 120,000 to $NZ 121,000.

E. Rules of origin

24. By a notice in the Federal Register dated 17 May 1994, the United States of America decided that the certificate of origin, Form A, was no longer required in law or in practice in order to claim GSP treatment. Instead of GSP Form A, the exporter will be asked, upon request of the District Collector, to provide a declaration stating the specific working or processing carried out on non-originating materials.[7]

25. On 4 November 1994, Canada issued Memorandum D 11-44 on rules of origin with respect to the general preferential tariff and the least developed country tariff.[8] This Memorandum clarifies several frequently asked questions concerning origin, certification and direct shipment. The "Guidelines and General Information" contained in the Memorandum provides useful examples of global cumulation and clarifies certain administrative practices, such as use of photocopies of the original Form A in exceptional circumstances, retrospective issuance of GSP Form A, shipping requirements including the need for a through bill of lading, the requirement to indicate a final consignee in Canada and transshipment rules. It also includes a list of authorized certifying authorities in beneficiary countries that issue Form A.

26. Changes made to Australian rules of origin arrangements for developing countries and implemented on 1 April 1994 eased requirements for qualifying for preference by allowing the inclusion of certain costs not previously permitted (e.g. freight between factories in the qualifying area). At the same time, treatment of materials of mixed origin going into goods seeking preferential entry into Australia was clarified, involving some tightening of the provisions. The balance, however, was definitely towards easing the rules.

27. By Commission Regulation 3254/94[9] of 19 December 1994, the European Union introduced donor-country content in its GSP rules of origin. Consequently, products originating in the European Union may be considered as local content when utilized in a manufacturing process in a beneficiary country. Evidence of the origin of the products from the European Union is provided by Form EUR 1. When issuing the final certificate of origin, the competent authorities of the beneficiary country will rely on this Form.

F. Duration of the system

28. With effect from 1 January 1995, Austria, Finland and Sweden discontinued their respective GSP schemes following their accession to the European Union. Since that date, these countries apply the new GSP scheme of the European Union for the period 1995-1998.

29. The United States of America extended its GSP scheme until 31 July 1995, after the President signed the Uruguay Round Bill on 8 December 1994.

30. On 4 November 1994, Canada extended its GSP system until 30 June 2004.

G. Least developed countries

31. Angola became eligible for special LDC treatment under the scheme of Japan from 1 April 1995, while Botswana, former beneficiary of LDC treatment, became a beneficiary for ordinary preferential treatment from 1 July 1995.

32. The Czech and Slovak Republics recognized Cambodia, Liberia, Madagascar and Zaire as least developed countries. Haiti was deleted from both LDC beneficiary lists.

33. In its proposal contained in the "Canada Gazette" of 25 March 1995, the Canadian Government put forward a modification of its GSP scheme that would substantially improve market-access possibilities for the least developed countries. The proposal provides for granting duty-free access to LDC products across the entire Canadian tariff schedule, with two exceptions: agricultural products subject to tariffication under the Uruguay Round Agreement and products classified within chapters 51 to 64 of the Canadian Customs Tariff. While agricultural products subject to tariffication are excluded entirely from coverage under the LDC duty-free rate proposal, products classified within chapters 51 through 64 (textiles, apparel and footwear) may be covered at an LDC rate of duty of 50 per cent of the applicable MFN rate of duty. However, should the value of LDC imports exceed a ceiling level, these imports may be subject to the same rates of duty payable by other GPT beneficiaries.

34. From 1 July 1995, under the GSP scheme of Norway, the least developed countries are granted duty-free and quota-free market access for all agricultural products, with the exception of flour, grains and feeding stuffs, for which they are given a tariff reduction of 30 per cent within fixed tariff ceilings.

H. Developments in the GSP schemes of Australia and Belarus

35. Under a new GSP scheme introduced in 1995, Belarus applies 50 per cent of customs tariff duties in respect of developing countries and duty-free treatment in respect of least developed countries.[10]

36. The last stage of phasing out Australia's preferences for all developing countries except the LDCs and the South Pacific Island Territories (SPITs) was put in place from 1 July 1994. The following decisions on phasing out preferences for developing countries were taken:

(i) Developing-country preferences would be phased out for four beneficiaries, namely Hong Kong, the Republic of Korea, Singapore and Taiwan Province of China; and,

(ii) Developing-country preferences would be phased out with respect to all sectors, except the LDCs and the SPITs.

37. In each case, the Government has indicated that the developing-country rate would be frozen until the general tariff (GT) rate reached that level, at which time the GT rate would apply. There would be no tariff-rate increase, so developing-country preferences would remain in place wherever the general tariff phasing programme was not sufficient to result in their removal. By 1 July 1996, the phasing arrangements will be essentially completed for those developing countries covered by the Programme. Developing-country preferences will, however, remain in place for these countries in a number of areas, including:

- motor vehicle replacement parts (PMV): GT rate 15 per cent, developing-country tariff 10 per cent until the year 2000;

- sugar: $A 55/tonne, developing-country tariff less 5 per cent, to be reviewed in 1996;

- products where the GT rate was 9 per cent, developing-country tariff 4 per cent at the time of the 1994 decision: the July 1996 rates will be GT 5 per cent and developing-country tariff 4 per cent.

Chapter II

TRADE EFFECTS OF THE SYSTEM

38. As shown in table 1 of annex I, total imports by OECD preference-giving countries in 1993 from beneficiaries of their schemes amounted to US$ 435.0 billion,[11] of which US$ 301.2 billion or 69.2 per cent, were MFN dutiable and therefore fell within the purview of the GSP. However, only US$ 168.3 billion, or 55.9 per cent, of these dutiable imports consisted of products covered by the schemes, and US$ 79.0 billion, or 49.9 per cent, of these covered imports actually received preferential treatment in 1993. In 1993, the share of the three major GSP schemes (European Union, Japan and United States) in total imports of all OECD preference-giving countries amounted to more than 90 per cent.

39. The ratio of preferential imports (or imports that actually received preferential treatment) to covered imports ("utilization rate") of the OECD countries decreased from 49.5 per cent in 1992 to 46.9 per cent in 1993. Utilization rates varied from 33.4 per cent in the case of Austria to 100 per cent in the case of Australia and Hungary. Despite the decline of the utilization rate in the 1990s, it is important to highlight the increase in the value of imports from beneficiary countries that have actually benefited from the GSP schemes. In fact, total imports from developing countries actually receiving preferences continued to increase from US$ 64.1 billion in 1991 to US$ 79.0 billion in 1993.[12]

40. The utilization rate under the European Union scheme decreased from 48 per cent in 1992 to 44.3 per cent in 1993. Despite the exclusion of some Central European countries from its preferential scheme (Czech Republic, Poland, Hungary and Slovakia) following the entry into force of regional integration agreements, the amount of both total and preferential imports have substantially increased. In fact, after 1991, total imports showed an annual average rate of increase of 6.9 per cent, while the amount of trade that received GSP treatment increased at an annual average rate of 20.3 per cent. The European Union's preferential imports alone amounted to almost half of the total preferential imports of all OECD preference-giving countries -- roughly[13] 47.7 per cent in 1993.

41. The utilization rate under the United States scheme has remained practically constant over the last three years (50 per cent in 1991 and 51 per cent in both 1992 and 1993), while that of Japan decreased from 46.1 per cent in 1992 to 45.9 per cent in 1993. Japan's decrease has been attributed to further liberalization, as MFN duties for several products covered by the scheme were reduced to zero.

42. Table 3 of annex I shows that between 1976 and 1993 the annual average increase of preferential imports by OECD preference-giving countries amounted to 12.7 per cent.[14]

43. As shown in table 2 of annex I, imports by OECD preference-giving countries from the least developed countries amounted to US$ 5.1 billion in 1993. Of these, US$ 3.5 billion, or 69.6 per cent, were MFN dutiable, of which US$ 1.7 billion, or 48.0 per cent, consisted of products covered by the schemes. However, imports that actually received preferential treatment were valued at only US$ 900.1 million.[15] The rate of utilization by LDCs varied from one year to the next between individual donor countries. However, it remained higher than that of all other beneficiary countries (53.2 per cent for LDCs compared with 46.8 per cent for all beneficiaries).

44. Total imports by OECD countries from LDCs increased considerably between 1976 and 1993 (see table 4 of annex I). The annual average rate of increase (8.4 per cent) was higher than that of imports from all sources. This increase could be explained by the inclusion of new countries in the list of LDC beneficiaries under the various schemes over the years since the 1976 base year of calculation. The annual average increase for LDCs (8.4 per cent) was more rapid than for all beneficiaries (7.1 per cent, table 3) during the same period, while the growth rate of preferential imports from LDCs for the same period was similar (11.6 per cent) to that of all beneficiaries (12.7 per cent, table 3). However, in 1992 and 1993, total imports as well as preferential imports from LDCs by some

preference-giving countries decreased. This decline may be explained by a number of factors, including the economic difficulties faced by LDCs due to their reliance on traditional commodities which were experiencing low world-market prices, and the general mismatch between their export capabilities and the limited product coverage under some schemes.

45. With regard to the scheme of the European Union, it is important to note that, despite the decline in the utilization rate, there was, between 1992 and 1993, an increase in the value of both the imports covered by the preferential scheme and the preferences actually granted. In fact, as seen in table 2 of annex I, the former figure increased from US$ 1,189.0 million in 1992 to US$ 1,325.2 million in 1993, while the latter increased from US$ 602.0 million to US$ 643.7 million in 1993.

46. With regard to Japan's scheme, the increase in the utilization rate from 62.1 per cent in 1992 to 95.2 per cent in 1993 (table 2) masks the important decline in the imports covered by the preferential scheme. In fact, while total imports decreased from US$ 972.0 million in 1992 to US$ 886.1 million in 1993 (a decline of 8.8 per cent), the imports covered by the GSP scheme for the least developed countries fell from US$ 369.0 million in 1992 to US$ 137.1 million in 1993, a decrease of 63 per cent.

47. In comparison to 1992, the United States' scheme showed an increase in 1993 in both the utilization rate (from 70.0 per cent in 1992 to 72.6 per cent in 1993) and in the value of preferential treatment actually granted (from US$ 49 million in 1992 to US$ 69 million in 1993). The very low share of GSP imports covered compared to MFN-dutiable imports (6.6 per cent in 1993) is probably due to the product coverage of the scheme which does not match the export structure of LDCs.

Chapter III

TECHNICAL COOPERATION ACTIVITIES: 1994 AND THE FIRST HALF OF 1995

A. Summary

48. The delivery of technical cooperation activities in 1994 and the first half of 1995 decreased in comparison with previous years. This was due mainly to a decline in the availability of resources. In 1994, some 13 activities were undertaken in all regions. These included 10 training seminars and three advisory missions aimed primarily at assisting beneficiary countries to establish GSP focal points. In 1994, 366 participants from 17 preference-receiving countries benefited from these training activities. In the first six months of 1995, 15 activities were undertaken in various regions, including seven training seminars and eight advisory missions. During these activities, 561 participants from nine preference-receiving countries were trained, bringing the total number of participants trained to 927 for the period under consideration.

49. Total extrabudgetary funding for GSP activities in 1994 amounted to US$ 603,074, with US$ 539,284 coming from trust funds and US$ 63,790 from UNDP. The total amount shows a decrease in financial resources from 1993 when financial contributions amounted to US$ 877,780. This decrease is due partly to a decline in UNDP funding. Trust fund contributions for the first six months of 1995 amounted to US$ 551,900, while UNDP contributed US$ 30,000.

B. Mobilization of support for technical cooperation activities on the GSP and other trade laws

50. The UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws is currently comprised of the Geneva-based interregional programme, a GSP component under the UNDP/UNCTAD Regional Project of the Asian and Pacific Governments "Institutional Policies for Multilateral Trade" and the Italian-financed project "Technical Cooperation on Trade Relations and Economic Cooperation in the Mediterranean Region".

51. In 1992, UNDP started financing a new project for the Asian and Pacific region "Institutional Policies for Multilateral Trade" (RAS/92/034) which included a GSP component. This project constituted the grounds for maintaining an associate expert on GSP based in Bangkok to the end of June 1995.

52. In order to provide an overview of possible ways to finance the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws, the three main categories of trust fund contributions are summarized below:

(a) central trust funds, which provide the only source of finance for the operational aspects of the programme. These are primarily used to cover the salaries of support personnel located in Geneva, travel of experts, consultancies and other administrative and logistical costs. The delivery of assistance depends on the availability of such funds;

(b) trust funds for specific purposes, such as the financing of seminars, advisory missions, provision of associate experts, etc.; and,

(c) in-kind contributions, such as the provision of experts by preference-giving and preference-receiving countries to participate in seminar activities at no cost to the Programme and the provision of seminar materials.

Contributions to the central trust fund in 1994 came from China (US$ 10,000), Norway (US$ 40,000) and Switzerland (US$ 27,170) amounting to a total of US$ 77,170. Contributions for specific purposes in 1994 came from Italy (US$ 43,484), Japan (US$ 324,350) and Switzerland (US$ 78,760) amounting to a total of US$ 446,594. In 1994, UNDP funding came from the GSP component of project RAS/92/034, amounting to US$ 63,790. Contributions to the central trust fund for the first six months of 1995 amounted to US$ 40,000 from Norway. Contributions for specific purposes for the first six months of 1995[16] came from

Italy (US$ 148,600), Japan (US$ 284,000) and Switzerland (US$ 60,000), amounting to a total of US$ 492,600.

53. In July 1994, the Italian Government agreed to finance the project on "Technical Cooperation on Trade Relations and Economic Cooperation in the Mediterranean Region" for US$ 192,000. In July 1995, an additional amount of US$ 196,354 was financed by the Italian Government in order to expand and continue the activities performed under this project. This new allocation brings the total amount for the biennium 1994-1995 to US$ 388,354. Additionally, the Italian Government has agreed to continue financing the GSP Computerized Information System (TRAINS) for US$ 50,000. This contribution will allow the updating of the system after the implementation of the Uruguay Round and a preliminary elaboration of an Arabic version.

54. Due to resource constraints, a backlog of requests from developing countries for GSP technical cooperation has been created: 22 national seminars/workshops (six from Africa, three from Asia and the Pacific, five from Eastern Europe, three from the Middle East, and five from Latin America and the Caribbean); seven advisory missions (one from Latin America and the Caribbean and six from Africa). Specific trust-fund contributions and contributions to the central trust fund are therefore vital in order to continue the activities of the Programme.

C. Technical cooperation activities on the GSP and other trade laws in 1994 and the first half of 1995

Advisory missions

55. In 1994, there were three advisory missions to Bhutan, Cambodia and Thailand, while in the first six months of 1995 there were eight such missions to Cambodia, Viet Nam, the West Bank and Gaza Strip, Lebanon, the Syrian Arab Republic, Egypt, the Democratic People's Republic of Korea and Mongolia. The activities performed during these advisory missions are specifically tailored to the needs and problems encountered by preference-receiving countries in different areas related to the utilization and implementation of the GSP schemes and other preferential arrangements. Advisory missions, such as those undertaken in LDCs or newly designated beneficiaries, aim primarily at identifying and strengthening existing national GSP focal points. During such missions, the expert identifies the officials concerned with GSP administration and issuance of certificates of origin, GSP Form A. Small workshops or seminars are organized specifically for such officials in order to create sufficient capacity and expertise to run and utilize the GSP schemes and/or other preferential arrangements efficiently. In addition, the UNCTAD computer software "Trade Analysis and Information System" (TRAINS) is installed in the relevant institutions in order to provide the GSP focal point with a viable follow-up tool, which allows certifying authorities and officials in trade-promotion organizations to provide up-to-date information to actual and potential exporters.

56. In some cases, especially in those LDCs in East-Asia where inflows of foreign direct investment have commenced, specific problems concerning rules of origin, which joint ventures have been confronted with, have been identified and advice provided on how to solve them. In addition, the Programme has been requested to deal with problems or difficulties encountered in the utilization of other preferential trade arrangements. Such arrangements, which may be of a contractual nature, often give rise to rules of origin problems similar to those encountered in the GSP framework.

Training activities

57. Overall, the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws was faced with an increase both in the range and number of requests put forward by preference-receiving countries since the conclusion of the Uruguay Round and the entry into force of the World Trade Organization (WTO). The conclusion of the Round resulted in the creation of a new set of rules which have a bearing on the technical utilization of the GSP, and even more on the operation and implementation of other trade laws regulating market-access conditions in preference-giving countries. For example, the Agreement on Agriculture and the

subsequent tariffication of former non-tariff measures have brought about a series of changes in each of the GSP schemes. Furthermore, the subject of erosion of the preferential margin has to be addressed during seminar activities in order to explain to actual and potential GSP users the impact on their individual products of the Uruguay Round tariff cuts. The changes in anti-dumping and countervailing duties agreed during the negotiations also have to be examined during training activities. Therefore, requests for assistance in 1994 and 1995 have shown a tendency to be directed towards other trade laws, rules of origin and other forms of preferential arrangements, such as bilateral free-trade-area agreements.

58. In the Asian region, two specialized workshops on rules of origin were held in the Philippines in the period under review, and a regional technical workshop on anti-dumping was held in Singapore for the Association of South-East Asian Nations (ASEAN) countries. Such workshop-type training activities focusing on specific schemes or topics are becoming increasingly popular as they reflect the advanced stage of economic development and export-supply capabilities of countries in the region.

59. In the Mediterranean region, activities focused on GSP schemes and on the launching of the new European Union Mediterranean Policy. The seminars were organized in such a way as to compare the old preferential agreement with the new proposal, which includes the conclusion of a bilateral free-trade area. A handbook on the trade aspects of the Mediterranean countries' cooperation agreements has been published as an UNCTAD document (UNCTAD/ITD/GSP/19). The Handbook, which has been translated into Arabic, provides practical guidance to government officials and the private sector of the Mediterranean countries on the market-access possibilities and regulations under the European Union market. Additionally, all handbooks on the various GSP schemes and other trade laws of the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws have been translated into Arabic. These materials have been distributed to participants during the workshops and a reference library has been created in the chambers of commerce of the countries that have benefited under the services of the project. Three workshops were organized as originally scheduled in Jordan, the Syrian Arab Republic and Lebanon. Also, a mission was undertaken to Jericho and Jerusalem, during which meetings were held with the Palestinian Economic Council for Development and Reconstruction (PECDAR).

60. National seminars were also held in Poland and Latin America. Owing to a lack of funds, only three training activities could be organized in the Latin American region (one in 1994 and two in 1995). This is to be regretted since, during these activities, several requests to enlarge the content and scope of the technical cooperation activities were made. It is hoped that adequate financial support will be forthcoming to enable the Programme to undertake activities in this region as well as in sub-Saharan Africa.

61. Advisory missions and workshops were also organized for low- and middle-income developing countries in East Asia, namely, the Lao People's Democratic Republic, Cambodia, Myanmar and Viet Nam. Since these countries are currently experiencing a substantial growth of foreign direct investment, the activities held have been particularly welcomed and exploited by the recipient countries. Advisory missions aimed at strengthening the local GSP focal point were also undertaken for the Democratic People's Republic of Korea, Mongolia and Bhutan. In particular, efforts have been made to train government officials of the local GSP focal points and in the private sector on the technicalities of rules of origin, both in the GSP and non-preferential contexts.

62. Overall, technical cooperation activities have been directed at providing the recipient countries with the necessary expertise to resolve difficulties encountered in GSP utilization and, in general, in their external trade. The entry into force of the WTO and the accelerated integration and globalization of world trade have resulted in a substantially increased diversity in requests for assistance. For example, there have been several cases of difficulties encountered by government officials and exporters relating to non-preferential origin for textile quotas, anti-dumping and countervailing duty actions and customs valuation problems arising from the implementation of the Uruguay Round Agreement and accession to the WTO. In the Mediterranean area, specific requests were made for assistance to help negotiate the new association agreements with

the European Union. The regionalization phenomenon taking place in world trade has already entailed the expansion of assistance for the technical areas of the regional preferential schemes where developing countries were involved. These adjustments had to be made to better suit the needs of the recipient countries. Thus, in certain cases, the Caribbean Basin Initiative (CBI) or Canadian Programs for Commonwealth Caribbean Trade, Investment and Industrial Cooperation (CARIBCAN) were also discussed. The Lomé Convention in sub-Saharan Africa and the association agreements in Eastern Europe with the European Union were thoroughly examined during previous workshops.

Other activities

63. In addition to the above-mentioned training and advisory services, the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws maintains and ensures, where possible, follow-up advisory services and, where requested, participates in other UNCTAD activities or seminars/workshops organized by other international organizations. For example, following activities undertaken in the field, the Programme receives requests for further documentation or expert advice on specific problems. In 1994 and the first six months of 1995, there were 60 requests for documents, 20 requests for supplies of GSP Form A, 80 specific requests for advice (e.g. product coverage, depth of tariff cuts, rules of origin, etc.) and 50 requests for TRAINS. The Programme participated in three workshops organized in the context of other UNCTAD technical cooperation activities, namely: the Symposium on Uruguay Round implications for Arab countries, Morocco, Casablanca (21-23 November 1994); Egypt/Eastern European countries Business Week held in Cairo, Egypt (12-14 December 1994); Workshop on the implications of the Uruguay Round for Lebanon, Beirut (April 1995). The Programme has also been invited to lecture at academic and private institutions, such as the European Institute in Florence, and the Business Education Seminar organized by the Ministry of Trade of Myanmar in Yangon. These activities help to strengthen cooperation with other programmes, within and outside UNCTAD.

Notes

1. See also Tracy Murray, Criteria for Graduation under the Generalized System of Preferences (GSP), UNCTAD/ITD/GSP/24, paras. 27-32.

2. Council Regulation 3281/94 of 19 December 1994 published in the Official Journal of the European Communities L348 of 31 December 1994.

3. Ibid.

4. See Regulation 3835/90 of 20 December 1990, published in Official Journal L370 of 31 December 1990.

5. The products concerned included: fresh guavas (ex HS 0804), frozen tropical fruits (ex HS 0811), mangos (ex HS 2001), mixed fruits (ex HS 2008), sea urchins and jellyfish (ex HS 0307), other mushrooms (ex HS 0712), sweet almonds (ex HS 0802), dried pineapples and fresh avocados (ex HS 0804), other prepared and preserved meat (ex HS 1602), preserved shrimps and prawns (ex HS 1605), prepared or preserved tomatoes (ex HS 2003), peas, beans and olives (ex HS 2005), coconuts, brazil nuts, etc. (ex HS 2008), prepared or preserved plums, peaches, palm hearts and bananas (ex HS 2008), vegetable juices (ex HS 2009) and yeasts (ex HS 2102).

6. The products concerned are, among others: certain poultry cuts (ex HS 0207), certain pig fat (ex HS 0209), certain meat offal (ex HS 0210), certain bulbs, tubers, etc. (ex HS 0601 and ex 0602), certain fresh vegetables and lettuce (ex HS 0704 and ex 0705), certain leguminous vegetables (ex HS 0708), and other kinds of vegetables (ex HS 0709, 0710, etc.), certain fresh fruits (ex HS 0808, ex 0809, 0810), certain kinds of products of the milling industry (ex HS chapter 11, etc.). For industrial products, the proposal among other selected products, extends GSP coverage to certain television sets (ex HS 8528).

7. For the complete text, see document TD/B/GSP/USA/20.

8. For the full text, see document TD/B/GSP/CANADA/19.

9. Published in Official Journal L346 of 31 December 1994.

10. For details, please see document TD/B/GSP/BELARUS/1.

11. These data do not comprise the imports of Australia.

12. Imports from Australia are not included in the 1993 data. However, it is interesting to note that imports actually covered by the Australian GSP scheme in 1991 amounted to US$ 4,944.5 million.

13. Due to the fact that data from Australia are not available.

14. This figure is adjusted by the exclusion of imports from the four Asian countries because they have been excluded since 1988 under the United States GSP scheme.

15. Excluding Australia.

16. This amount does not include the additional allocation of US$ 196,354 by the Italian Government to the project "Technical cooperation on trade relations and economic cooperation in the Mediterranean region" (INT/93/A34).

Annex I

Table 1

Imports of preference-giving countries from beneficiaries of their schemes
1976-1994
(millions of US dollars)

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AUSTRALIA							
FY 1976	2 249.9	885.4	412.8	412.8	46.6	100.0	46.6
FY 1981	6 211.1	2 929.9	1 979.8	1 979.8	67.6	100.0	67.6
FY 1990	9 453.5	4 488.1	4 271.4	4 271.4	95.2	100.0	95.2
FY 1991	10 597.0	5 102.6	4 944.5	4 944.5	96.9	100.0	96.9
AUSTRIA							
1976	1 327.5	1 123.1	998.3	126.1	88.9	12.6	11.2
1981	2 745.0	2 371.1	2 025.6	251.0	85.4	12.4	10.6
1991	6 063.0	4 797.0	4 378.0	1 633.0	91.3	37.3	34.0
1992	6 419.8	4 990.4	4 605.3	1 796.1	92.3	39.0	36.0
1993	5 700.7	4 710.9	4 389.0	1 464.1	93.2	33.4	31.1
1994	5 418.1	4 494.0	4 260.4	N.A.[a]	94.8	N.A.	N.A.
CANADA							
1976	4 256.8	1 058.1	561.3	411.4	53.0	73.0	38.9
1981	6 877.9	2 163.3	1 176.0	857.9	54.4	73.0	39.7
1991	12 443.3	6 585.2	4 001.8	2 675.5	60.8	66.9	40.6
1992	12 898.1	6 746.9	3 945.2	2 680.9	58.5	68.0	39.7
1993	12 971.0	7 809.0	4 810.0	2 962.0	61.4	61.6	37.9
EUROPEAN UNION							
1976	79 939.7	17 950.0	10 903.0	3 915.9	60.7	35.9	21.8
1981	111 282.3	30 786.8	23 971.1	9 002.0	77.9	37.6	29.2
1991	156 895.0	104 850.0	64 204.0[b]	30 208.0[b]	61.2	47.1	28.8
1991[c]	140 986.0	90 142.4	55 038.5[b]	26 063.2[b]	61.1	47.4	28.9
1992[c]	149 164.4	108 631.4	74 453.9	35 727.0	68.5	48.0	32.9
1993[c]	160 944.0	106 684.8	85 176.9	37 692.7	79.8	44.3	35.3

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FINLAND							
1976	749.7	145.9	29.4	20.9	20.2	71.1	14.3
1982	983.3	325.0	132.4	108.4	40.8	81.8	33.4
1991	1 804.6	1 502.1	472.5	276.6	31.5	58.5	18.4
1992	1 817.0	1 555.0	514.0	256.0	33.0	49.9	16.5
1993	1 564.6	1 275.5	608.9	289.1	47.7	47.5	22.7
JAPAN							
FY 1976	13 457.9	6 369.3	3 369.3	1 789.5	52.9	53.1	28.1
FY 1982	27 528.2	13 331.2	8 575.3	5 263.3	64.3	61.4	39.5
FY 1991	110 970.0	71 735.0	25 415.0	12 078.0	35.4	47.5	16.8
FY 1992	115 667.0	76 780.0	26 674.0	12 305.0	34.7	46.1	16.0
FY 1993	120 764.0	77 280.0	30 108.0	13 821.0	39.0	45.9	17.9
FY 1994	144 738.0	89 785.0	37 308.0	16 931.0	41.6	45.4	18.9
NEW ZEALAND							
FY 1976	571.8	150.0	140.0	140.0	93.3	100.0	93.3
FY 1981	1 264.3	275.0	246.9	246.9	89.9	100.0	89.8
FY 1990	1 124.4	459.0	453.3	406.2	98.8	89.6	88.5
FY 1991	1 098.1	452.1	451.1	389.6	99.8	86.4	86.2
FY 1992	1 273.7	514.3	513.9	450.6	99.8	87.7	87.5
NORWAY							
1976	1 171.8	95.0	44.3	22.4	46.6	50.5	23.6
1981	1 185.9	296.2	128.3	66.9	43.3	52.1	22.6
1991	3 103.0	1 181.0	723.0	463.0	61.2	64.0	39.2
1992	2 068.0	1 117.0	692.0	477.0	61.9	69.0	42.7
1993	1 957.7	1 237.9	780.9	488.0	63.0	62.5	39.4
SWEDEN							
1976	2 732.8	941.5	189.1	144.8	20.1	76.6	15.4
1981	3 881.3	821.5	395.5	272.5	48.1	68.9	33.2
1991	4 776.0	2 715.0	1 532.0	1 017.0	56.4	66.4	37.5
1992	3 648.0	2 122.0	1 172.0	739.0	55.2	63.1	34.8
1993	3 723.2	2 228.8	1 278.5	781.6	57.4	63.6	36.5

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SWITZERLAND							
1976	1 541.0	1 418.6	635.2	257.1	44.8	40.5	18.1
1982	2 851.6	2 751.6	1 180.4	449.5	42.9	38.1	16.3
1991	5 541.5	5 338.5	3 799.8	1 524.1	71.2	40.1	28.5
1992	4 710.8	4 515.2	3 204.3	1 380.2	71.0	43.1	30.6
1993	4 395.2	4 238.8	2 922.7	1 455.7	69.0	49.8	34.3
1994	4 686.7	4 472.2	3 042.0	1 591.5	68.0	56.6	37.8
UNITED STATES OF AMERICA							
1976	28 497.6	21 879.8	6 530.0	3 160.3	29.8	48.4	14.4
1981	60 751.5	53 823.3	16 870.4	8 395.5	31.3	49.8	15.6
1991	93 651.0	73 415.0	26 907.0	13 675.0	36.7	50.0	18.0
1992	106 563.0	83 763.0	32 441.0	16 566.0	38.7	51.0	19.0
1993	121 732.0	95 183.0	37 715.0	19 559.0	39.6	51.0	20.0
OECD TOTALS							
1976	136 496.5	52 016.7	23 812.7	10 401.2	45.8	43.7	20.0
1981[a]	225 562.4	109 874.9	56 681.8	26 893.7	51.6	47.4	24.5
1991[a,f]	389 916.3	262 358.4	126 992.4	64 083.0	48.3	50.5	24.4
1992[g]	414 651.2	295 775.6	156 379.3	77 261.3	51.6	49.5	25.6
1993[h]	435 026.1	301 168.6	168 303.3	78 963.8	55.9	46.9	26.2
HUNGARY							
1976	379.2	209.6	196.9	196.9	93.9	100.0	93.9
1981	735.1	735.1	726.7	726.7	98.9	100.0	98.9
1991	636.1	636.1	613.6	613.6	96.4	100.0	96.4
1992	333.5	333.5	311.9	311.9	93.5	100.0	93.5
1993	3 592.0	3 592.0	3 256.0	3 256.0	90.0	100.0	90.0
1994	4 039.7	4 039.7	3 682.6	3 682.6	91.0	100.0	91.0

Source: Notifications and UNCTAD calculations.

[a] N.A., not available.
[b] Excluding the Republic of Korea.
[c] Excluding the Czech Republic, Hungary, Poland and Slovakia.
[d] 1982 for Finland, Japan and Switzerland.
[e] Excluding the Czech Republic, Hungary, Poland and Slovakia under the EEC scheme.
[f] FY 1990 for Australia and New Zealand.
[g] FY 1991 for Australia and New Zealand.
[h] Excluding Australia; FY 1992 for New Zealand.

Table 2

Imports of preference-giving countries from least developed countries, beneficiaries of their schemes, 1976-1994[a]
(millions of US dollars)

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AUSTRALIA							
FY 1976	42.9	5.6	5.1	5.1	91.0	100.0	91.0
FY 1981	36.8	18.2	17.9	17.7	98.4	98.9	97.3
FY 1990	79.0	8.5	8.5	8.5	100.0	100.0	100.0
FY 1991	75.3	10.5	10.3	10.3	98.0	100.0	98.0
AUSTRIA							
1976	15.0	7.0	6.7	0.8	95.7	11.9	11.4
1981	15.2	5.6	5.1	0.9	91.1	17.6	16.1
1991	130.0	121.0	120.0	4.7	99.2	3.9	3.9
1992	124.6	115.2	110.7	5.6	96.1	5.1	4.9
1993	45.5	38.8	36.9	5.9	95.1	16.0	15.2
1994	96.7	86.7	84.8	N.A.[b]	97.8	N.A.	N.A.
CANADA							
1976	32.0	1.5	1.0	0.2	66.7	20.0	13.3
1981	37.3	2.6	2.3	0.8	88.5	34.8	30.8
1991	216.7[c]	50.1	11.4	7.9	22.8	69.3	15.8
1992	176.2[c]	40.7	9.3	6.4	22.9	68.8	15.7
1993[c]	147.5	58.8	5.9	3.7	10.0	62.4	6.3
EUROPEAN UNION[c]							
1976	322.1	231.8[d]	98.3	47.1	42.4	47.9	20.3
1981	395.1	266.3	239.4	150.6	89.7	62.9	56.4
1991	1 146.0	1 069.0	1 014.0	539.0	94.9	53.2	50.4
1992	1 876.0	1 251.0	1 189.0	602.0	95.0	58.6	48.1
1993	1 745.6	1 376.1	1 325.2	643.7	96.3	48.6	46.8

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
FINLAND							
1976	11.5	1.3	1.1	0.7	84.6	63.6	53.8
1982	16.7	11.3[1]	11.3	1.0	100.0	88.5	8.9
1991	17.8	17.8	10.8	9.6	60.7	88.9	53.9
1992	21.0	21.0	11.0	1.0	52.4	9.1	0.5
1993	35.6	32.4	15.1	3.0	46.5	20.2	9.4
JAPAN							
FY 1976	212.0	31.6	7.2	3.3	22.8	45.8	10.4
FY 1982	222.2	47.2	8.6	4.9	18.2	57.0	10.4
FY 1991	1 124.0	726.0	459.0	239.0	63.2	52.1	32.9
FY 1992	972.0	502.0	369.0	229.0	73.5	62.1	45.6
FY 1993	886.1	515.4	137.1	130.5	26.6	95.2	25.3
FY 1994	1 131.2	700.8	211.1	200.1	30.1	94.8	28.6
NEW ZEALAND							
FY 1976	12.5	2.2	1.9	1.9	86.4	100.0	86.4
FY 1981	11.4	5.4	5.3	5.3	98.4	100.0	98.4
FY 1990	104.3	43.2	43.1	42.8	99.8	99.3	99.1
FY 1991	67.1	39.5	39.5	38.9	100.0	98.5	98.5
FY 1992[1]	5.3	3.6	3.6	3.5	100.0	97.2	97.2
NORWAY							
1976	7.4	0.5	0.5	0.1	100.0	20.0	20.0
1981	4.9	0.8	0.8	0.3	100.0	37.5	37.5
1991	566.0	91.0	91.0	11.0	100.0	12.1	12.1
1992	204.0	16.0	16.0	10.0	100.0	60.5	60.5
1993	162.6	13.1	13.1	7.5	100.0	57.2	57.2

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SWEDEN							
1976	29.1	23.4	0.3	0.1	1.3	33.3	0.4
1981	13.2	2.7	0.5	0.3	18.5	60.0	11.1
1991	38.0	19.0	19.0	5.0	100.0	26.3	26.3
1992	36.0	19.0	19.0	5.0	100.0	26.3	26.3
1993	41.0	18.4	18.4	3.6	100.0	19.7	19.7
SWITZERLAND							
FY 1976	44.2	40.5	16.7	4.9	41.2	29.3	12.1
FY 1982	51.8	47.9	23.8	10.0	49.7	42.0	20.9
FY 1991	66.7	51.4	46.3	28.5	90.1	61.6	55.4
FY 1992	75.3	60.4	57.9	34.1	96.0	58.8	56.5
FY 1993	50.7	44.0	42.6	29.7	96.8	69.7	67.5
FY 1994	65.8	56.5	54.6	32.1	94.6	58.8	56.8
UNITED STATES OF AMERICA							
1976	557.3	176.8	116.8	75.9	66.1	65.0	42.9
1981	844.4	287.7	153.5	47.9	53.4	31.2	16.6
1991	1 389.0	1 035.8	82.9	49.3	8.0	59.5	4.8
1992	1 842.0	1 242.0	70.0	49.0	5.6	70.0	3.9
1993	1 951.0	1 429.0	95.0	69.0	6.6	72.6	4.8
OECD TOTALS							
1976[1]	1 286.0	522.2	255.6	140.1	48.9	54.8	26.8
1981[2]	1 649.0	695.7	468.5	239.7	67.3	51.2	34.5
1991[3]	4 877.4	3 232.8	1 906.0	945.3	59.0	49.6	29.2
1992[3]	5 142.2	3 524.6	1 879.2	992.5	53.3	52.8	28.2
1993[3]	5 070.9	3 529.6	1 692.9	900.1	48.0	53.2	25.5

Preference-giving country and year	Total imports	MFN dutiable imports	GSP imports		Percentage share		
			Covered	Preferential	(4)/(3)	(5)/(4)	(5)/(3)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
HUNGARY							
1976	12.4	4.2	4.1	4.1	97.6	100.0	97.6
1981	7.6	7.6	7.6	7.6	100.0	100.0	100.0
1991	6.0	6.0	6.0	6.0	100.0	100.0	100.0
1992	12.2	12.2	12.2	12.2	100.0	100.0	100.0
1993	27.7	27.7	27.7	27.7	100.0	100.0	100.0
1994	60.3	60.3	60.3	60.3	100.0	100.0	100.0

Source: Notifications and UNCTAD calculations.

[a] As the list of LDC beneficiaries under each GSP scheme was subject to changes from time to time, figures as shown in this table for corresponding years are not comparative in absolute terms. The table, however, gives an order of magnitude of the preferential imports from the LDC beneficiaries into the OECD preference-giving countries.

[b] N.A., not available.

[c] United Nations sources.

[d] Estimates.

[e] Effective LDC beneficiaries only are taken into account.

[f] 1978 for EEC and New Zealand.

[g] 1982 for Japan, Switzerland and the United States.

[h] FY 1990 for Australia and New Zealand.

[i] FY 1991 for Australia and New Zealand.

[j] Excluding Australia; FY 1992 for New Zealand.

Table 3

Preferential imports into selected preference-giving countries from their beneficiaries

Annual average increase for the period 1976-1993 and 1992-1993 (percentage)

Country	All beneficiaries			
	Total imports		Preferential imports	
	1976/1993	1992/1993	1976/1993	1992/1993
Australia	-	-	-	-
Austria	9.0	-11.2	15.5	-18.5
Canada	6.8	0.6	12.3	-10.5
European Union	4.2	7.9	14.3	5.5
Finland	4.4	-13.9	16.7	12.9
Japan	13.8	4.4	12.8	12.3
New Zealand	4.8	16.0	7.1	15.7
Norway	3.1	-5.3	19.9	2.3
Sweden	1.8	2.1	10.4	5.8
Switzerland	6.4	-6.7	10.7	5.5
United States	8.9	14.2	11.3	18.1
Total OECD	7.1	4.9	12.7	2.2

Table 4

Preferential imports into selected preference-giving countries from their least developed country beneficiaries

Annual average increase for the periods 1976-1993 and 1992-1993 (percentage)

Country	LDCs			
	Total imports		Preferential imports	
	1976/1993	1992/1993	1976/1993	1992/1993
Australia	-	-	-	-
Austria	6.7	-63.5	12.5	5.4
Canada	9.4	-16.3	18.7	-42.2
European Union	10.5	-6.9	16.6	6.9
Finland	6.9	69.5	8.9	200.0
Japan	8.8	-8.8	24.2	-43.0
New Zealand	-4.9	-92.1	-3.7	-91.0
Norway	19.9	-20.3	28.9	-25.0
Sweden	2.0	13.9	23.5	-28.0
Switzerland	0.8	-32.7	11.2	-12.9
United States	7.6	5.9	-0.6	40.8
Total OECD	8.4	-1.4	11.6	-9.3

Annex II

Table 1
Summary of contributions to the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws
(US dollars)

Country	Estimated in-kind contributions[a]	Trust Fund contributions		Total
		Specific purposes	Central	
A. 1994				
Canada	6 220	-	-	6 220
China	-	-	10 000	10 000
Italy	-	43 484	-	43 484
Japan	2 100	324 350[b]	-	326 450
Norway	-	-	40 000	40 000
Switzerland	6 300	78 760	27 170	112 230
United States	900	-	-	900
TOTAL	15 520	446 594	77 170	539 284
UNDP[c]	-	63 790	-	63 790
GRAND TOTAL	15 520	510 384	77 170	603 074
B. First half of 1995				
Australia	600	-	-	600
Canada	4 500	-	-	4 500
European Union	2 700	-	-	2 700
Italy	4 200	148 600[d]	-	152 800
Japan	900	284 000[e]	-	284 900
Malta	1 200	-	-	1 200
Norway	-	-	40 000	40 000
Switzerland	-	60 000[f]	-	60 000
United States	5 200	-	-	5 200
TOTAL	19 300	492 600	40 000	551 900
UNDP[c]	-	30 000	-	30 000
GRAND TOTAL	19 300	522 600	40 000	581 900

[a] Figures rounded off.

[b] Including a Japanese associate expert for one year at US$ 74,350. Figures rounded off.

[c] The UNDP contribution refers to the GSP component of UNDP-financed project RAS/92/034.

[d] In July 1995, the Italian Government contributed a further US$ 196,354.

[e] Including a Japanese associate expert for six months at US$ 34,000.

[f] This amount forms part of the 1994 contribution but which only became available in 1995.

Table 2

Summary of in-kind contributions to the UNCTAD Technical Cooperation Programme on the GSP and Other Trade Laws, 1 January 1994 - 30 June 1995 (amounts in US dollars)

Activity	No. of participants	Project	Australia	Canada	European Union	Italy	Japan	Malta	Switzerland	United States	Total
A. 1994											
Regional seminar on GSP and other trade laws for low- and middle-income Asian developing countries, Hanoi, Viet Nam, 14-18 February[a]	16	INT/84/A01 RAS/92/034							6 300		6 300
National seminar on GSP and other trade laws for Brazil, Sao Paulo, 23-25 March[b]	69	INT/84/A01		5 020			900			900	6 820
National seminars on GSP and other trade laws for Syrian Arab Rep., Damascus and Aleppo, 11-16 April	70	INT/84/A01 SYR/92/007									
National workshops on rules of origin for the Philippines, Manila and Cebu, 13-17 June	32	INT/84/A01 RAS/92/034									
Advisory mission and workshop on GSP for Bhutan, Thimphu, 22-24 June	35	INT/84/A01 RAS/92/034									
Advisory mission and workshop on GSP for Cambodia, Phnom Penh, 12-16 September[b]	24	INT/84/A01 RAS/92/034									
Regional technical workshop on anti-dumping for ASEAN, Singapore, 21-23 September[b]	17	INT/84/A01 RAS/92/034									
National seminars on GSP and other trade laws for Poland, Warsaw and Gdansk, 14-18 November[b]	39	INT/84/A01		1 200			1 200				2 400
Advisory mission and workshop on GSP for Thailand, Bangkok, 1-2 December	14	INT/84/A01 RAS/92/034									
National seminar on GSP for Myanmar, Yangon, 6-8 December	50	INT/84/A01 RAS/92/034									
Subtotal for 1994	**366**			**6 220**			**2 100**		**6 300**	**900**	**15,520**

Activity	No. of participants	Project	Australia	Canada	European Union	Italy	Japan	Malta	Switzerland	United States	Total
B. 1995 National workshop on market access for Syrian Arab Rep., Damascus, 18-19 & 21 January[a]	175	INT/84/A01 INT/93/A34			900	2 400					3 300
National seminar on GSP for Jordan, Amman, 22-24 January[c]	100	INT/84/A01 INT/93/A34			900	1 800				5 200	7 900
Advisory mission on GSP for West Bank and Gaza Strip, 26 January[c]	NA	INT/93/A34									
National seminar on GSP and other trade laws for Peru, Lima, 22-24 February[b]	72	INT/84/A01		2 500			900				3 400
National seminar on GSP and other trade laws for Honduras, Tegucigalpa, 27-28 February[b]	36	INT/84/A01		2 000							2 000
National seminar on GSP for Sri Lanka, Colombo, 21-23 March	72	INT/84/A01 RAS/92/034									
National seminar on GSP for Lao People's Dem. Rep., Vientiane, 29-30 March	61	INT/84/A01 RAS/92/034	600								600
Advisory mission and workshop on GSP and GATT/WTO/Uruguay Round issues for Cambodia, Phnom Penh, 3-4 April	15	INT/84/A01 RAS/92/034									
Advisory mission and workshop on GSP and GATT/WTO/Uruguay Round issues for Viet Nam, Hanoi, 6-7 April	10	INT/84/A01 RAS/92/034									
Advisory mission to Lebanon on forthcoming seminar on trading opportunities, Beirut, 10-12 April[c]	* NA	INT/93/A34									
Advisory mission to Syrian Arab Rep. on new European Union Mediterranean Policy, Damascus, 13 April[c]	NA	INT/93/A34									
Advisory mission to Egypt on new European Union Mediterranean Policy, Cairo, 14-18 April[c]	NA	INT/93/A34									

Activity	No. of participants	Project	Australia	Canada	European Union	Italy	Japan	Malta	Switzerland	United States	Total
B. 1995 (cont'd) Workshop on trading opportunities under the new European Union Mediterranean Policy and WTO trade laws for Lebanon, Beirut, 1-3 June[c]	20	INT/84/A01 INT/93/A34			900			1 200			2 100
Advisory mission on GSP for People's Dem. Rep. of Korea, Pyongyang, 25-26 June		INT/84/A01									
Advisory mission on GSP for Mongolia, Ulan Bator, 29-30 June		INT/84/A01									
Subtotal for first half 1995	**561**		**600**	**4 500**	**2 700**	**4 200**	**900**	**1 200**		**5 200**	**19 300**
Total	**927**		**600**	**10 720**	**2 700**	**4 200**	**3 000**	**1 200**	**6 300**	**6 100**	**34 820**

[a] Activity financed by the Government of Switzerland.
[b] Activity financed by the Government of Japan.
[c] Activity financed by the Government of Italy through its project INT/93/A34.

Table 3

Summary table of training activities from 1984 to June 1995

Year	Number of seminars (national and regional)/workshops[a]	Number of participants who received training[b]
1984	8 (3 regional, 5 national)	414
1985	8 (4 regional, 4 national)	293
1986	14 (3 regional, 11 national)	825
1987	20 (6 regional, 14 national)	1 385
1988	14 (4 regional, 10 national)	918
1989	34 (6 regional, 28 national)	1 887
1990	24 (2 regional, 21 national, 1 workshop)	1 107
1991	26 (5 regional, 18 national, 3 workshops)	1 431
1992	22 (1 regional, 12 national, 9 workshops)	853
1993	30 (3 regional, 17 national, 10 workshops)	1 204
1994	12 (2 regional, 6 national, 4 workshops)	366
1995 (first six months)	9 (5 national, 4 workshops)	561

Source: UNCTAD secretariat calculations.

[a] Workshop activities are held on specific subjects aimed at a restricted circle of concerned officials/businessmen.

[b] Regional seminars: participants usually limited to one or two per country.